Manitoba

Annual Report 1989-90

Rural Development

The Manitoba
Water Services Board

91-05351/

Minister of
Rural Development

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour George Johnson
Lieutenant Governor of Manitoba
235 Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

It is my pleasure to present to you The Manitoba Water Services Board Annual Report for the period extending from April 1, 1989 to March 31, 1990. This report records the activities of the Board for that period.

Yours truly,

Jack Penner

Manitoba

Rural Development

The Manitoba Water
Services Board

P.O. Box 1059
2022 Currie Boulevard
Brandon, Manitoba, CANADA
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(204) 726-6076

The Honourable Jack Penner
Minister of Rural Development

Sir:

I have the honour of presenting to you the Eighteenth Annual Report of The Manitoba Water Services Board for the fiscal year ending March 31, 1990, together with the financial statements of the Board for the same period.

Yours respectfully,

F.R. Dennis
A/Chairman
The Manitoba Water Services Board

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The Manitoba Water Services Board

A/Chairman
F.R. Dennis
Director
Municipal Advisory and Financial Services
Rural Development

Members
N.E. Brandson
Director
Environmental Management Services
Safety and Health

G. Jasper
Box 388
Souris, Manitoba
R0K 2C0

The Manitoba Water Services Board

The Manitoba Water Services Board was established in July 1972 under The Manitoba Water Services Board Act to assist in the provision of water and sewage facilities to the residents of rural Manitoba. It replaced The Manitoba Water Supply Board, taking over all responsibilities of the former Board and continues to own and operate 32 water supply installations in the Province.

The Board is composed of representatives of the Departments of Environment, Rural Development, and one citizen member. It reports to the Legislature through the Minister of Rural Development.

The amalgamation of The Manitoba Water Services Board and Agri-Water Branch of the Department of Agriculture was completed during the 1983/84 fiscal year. Effective April 1, 1984 all Agri-Water Branch staff and operating budget was transferred to The Manitoba Water Services Board. Since that date The Manitoba Water Services Board has delivered the Agri-Water activities on behalf of the Department.

Transfer of staffing and the various activities,administered by The Manitoba Water Services Board and the Agri-Water Branch, to the Department of Rural Development was carried out during the (1989-90) fiscal year.

Objectives

The Manitoba Water Services Board has the following specific objectives as outlined in the Act:

a) The obtaining of supplies of potable water for domestic and other uses within the province, and the selling of water to municipalities and water districts.

b) The acquisition or construction and the operating and maintenance of all plants and works necessary for obtaining, collecting, storing, treating, purifying and transmitting water.

c) The transmission of water from a source of supply or a point of storage to a point of acceptance by a municipality or a water district either within or outside the municipality or water district.

d) The acquisition or construction and the operation and maintenance of works for the distribution of water.

e) The acquisition or construction and the operation and maintenance of works for the collection of sewage.

f) The acquisition or construction and the operation and maintenance of works for the treatment and disposal of sewage.

Activities carried out to meet the objectives under:

a) The Board operated 42 water treatment plants and sold potable water for domestic and other uses to various municipalities and water districts.

b) During the fiscal year 1989/90 the Board upgraded nine water treatment plants.

b & c) There were 32 water treatment plants constructed by The Manitoba Water Supply Board prior to 1972. These are now operated by The Manitoba Water Services Board. The potable water produced is sold in bulk to the municipalities. In addition nine water treatment plants constructed by The Manitoba Water Services Board under cost-sharing agreements with the municipalities are operated at the request of the municipalities by The Manitoba Water Services Board with costs recovered by sale of water in bulk to the municipalities. The Red River Regional Water System, with its treatment plant at Letellier, supplies potable water to Altona, Dominion City, Gretna, R.M. of Rhineland, Letellier, Altona Rural Water Services Co-Op Ltd., Halbstadt-Marais Water Co-operative, and Roseau River Tribal Council.

d, e, & f) In 1989/90 water and/or sewage facilities for two municipalities were constructed and turned over to the respective municipalities for ownership and operation, as well as nineteen water and sewer renewals and upgrading were carried out.

The Board can enter into agreements with all organized areas of the province, including municipalities, Local Government Districts, villages, towns and cities, excluding (a) the City of Winnipeg, (b) the areas under the jurisdiction of the Minister of Northern Affairs, and (c) those areas of the province under Federal Government jurisdiction.

Once an application is received and the Board has made the necessary physical and engineering investigations, and received financial approval; an Offer is submitted to the municipality for the construction of new works, extensions,

and/or improvements to existing works. The works may be owned and operated either by the Board or the Municipality.

After the municipality has received the necessary Municipal Board approvals and the Agreement has been executed, the Board enters into the necessary contracts for design and construction of the works.

The Board also enters into agreements with municipalities and non-profit water utilities (water districts) for Agri-Water projects when requested. Total project management which includes engineering design approvals, tendering, contract administration, and interim financing can be provided utilizing the same procedures followed by The Manitoba Water Services Board for larger municipal projects. Details of these agreements are given under Construction Agreements Submitted and Signed. The details regarding the nature of the total Agri-Water activities and provincial financial contribution is provided in Manitoba Rural Development's Annual Report.

The Manitoba Water Services Board Act requires the Board to fix rates for plants constructed prior to 1972, to recover costs pertaining to the services supplied, taking into account grants for rate stabilization provided by the Province of Manitoba. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ending March 31, 1990, rate stabilization grants totalling $62,371 were paid in respect to the operation of 9 of the plants constructed under The Manitoba Water Supply Board Act.

New agreements between The Manitoba Water Services Board and a municipality vary in length, however, an agreement is long enough to ensure a stable period of operation for the Board works and to guarantee satisfactory water and sewage services to the municipality. In some instances the municipality has requested and the Board has agreed to operate water treatment plants on behalf of the municipality.

In June, 1984, the Manitoba Goverment altered the Grant Formula for The Manitoba Water Services Board increasing the level of provincial funding for most water and sewage works in the province. The formula is summarized as follows:

1. The share of the capital cost of construction to be assumed by the municipality is set at:

a) for both water and sewage, the capitalized amount which 20 mills on the equalized assessment discounted at the current rate of borrowing (established each January) plus 50% of the balance of the project cost. Capital debts on existing utilities are taken into account in the calculation.

b) for sewer systems only, the capitalized amount which 8 mills on the equalized assessment discounted at the current rate of borrowing (established each January) plus 50% of the balance of the project cost.

c) for water systems only, the capitalized amount which 12 mills on the equalized assessment discounted at the current rate of borrowing (established each January) plus 50% of the balance of the project cost.

d) in no instance will the grant on the systems for communities with populations less than 300 be less than 30% of the project cost.

The provinicial grant is 60% of the shareable costs for those organized municipalities north of the Northern Affairs boundary.

However, since the costs in The Pas are not as great as those in most northern communities the provincial grant is 55%.

Where solid bedrock is encountered a special grant of 50% of the additional costs related to bedrock is available. The remaining 50% is included as part of the capital costs of the project, for purposes of calculating the communities' "front end" expenses and the provincial grant.

Summary of Services in 1988-89

Preliminary Investigations

The Board received 41 Board applications for technical and financial assistance from individual municipalities during the year.

A total of 29 engineering feasibility studies were completed. On the basis of these and previously completed studies, the Board submitted 40 offers (17 regular budget, 23 Drought Proofing) as well as 2 amended offers for the construction of water and/or sewer facilities to municipalities.

Thirty-five agreements (15 regular budget, 1 Community Water and Sewer Development Program and 19 Drought Proofing) submitted during this and the previous year, as well as 3 amended agreements, were signed by March 31, 1990. Estimated costs for these agreements and the dates they were signed are given in the following table:

Construction Agreements Submitted and Signed

during April 1, 1989 to March 31, 1990

	Date Agreement Signed	Estimated Capital Cost of Project
**Arborg (Village)	July 13, 1989	$816,000
*Border Valley Water Co-op (2)	August 28, 1989	100,000
*Cameron (R.M.) Hartney South	January 11, 1990	47,000
**Cartier (R.M.) Elie (7)	October 25, 1989	500,000
*Dauphin (R.M.) Dauphin (3)	October 25, 1989	15,000
*Dauphin (R.M.) Sifton	October 25, 1989	15,000
**Erickson (4) (Village)	November 30, 1989	40,000
**Grey (R.M.) Elm Creek (4)	February 27, 1990	15,000
**Hanover (R.M.) (Grunthal (5)	March 5, 1990	130,000
**La Broquerie (R.M.) La Broquerie A-1	April 14, 1989	1,020,000
*Lansdowne (R.M.) Arden	August 28, 1989	31,000
*Macdonald (R.M.) La Salle North	September 25, 1989	260,000
*Macdonald (R.M.) Oak Bluff Ph. I	September 25, 1989	750,000
*Macdonald (R.M.) Oak Bluff II	March 8, 1990	720,000
**McCreary (5) (Village)	August 18, 1989	290,000
*Morris (R.M.) Lowe Farm	March 26, 1990	54,000
**Oak Lake (Town)	May 31, 1989	120,000
*Ochre River (R.M.) Makinak	November 17, 1989	15,000
*Ochre River (R.M.) Ochre River	November 17, 1989	10,000
*Pembina (R.M.) Darlingford	September 15, 1989	15,000
**Portage (6) (City)	October 23, 1989	850,000
**Powerview (2) (Village)	March 29, 1990	316,200
*Rhineland (R.M.) Gretna East	September 22, 1989	340,000
*Rhineland (R.M.) Plum Coulee East	September 22, 1989	66,000
*Rhineland (R.M.) Plum Coulee West	September 22, 1989	720,000
**Riverton (Village)	February 23, 1990	20,000
***Roblin (R.M.) Mather	August 28, 1989	130,000
**Roblin A-1 (Town)	April 14, 1989	346,000
**Russell (3) (Town)	May 31, 1989	110,000
**Silver Creek, (R.M.) Angusville	August 23, 1989	19,000
**Souris (4) (Town)	August 18, 1989	66,000
*South Cypress (R.M.) Glenboro (2)	October 5, 1989	15,000
*South Norfolk (R.M.) Treherne	October 5, 1989	15,000
**Stonewall (9) (Town)	April 14, 1989	1,170,000
*Tache (R.M.) Landmark	November 6, 1989	46,000
**Wawanesa (Village)	February 27, 1990	100,000
**Winnipegosis (3) A-1 (Village)	May 31, 1989	104,000
*Woodlands (R.M.) (Warren)	October 3, 1989	100,000

*Drought Proofing
**Regular Water and Sewer Program
***Community Water and Sewer Development Program

Design and Construction 1989-90

Water and sewerage project design and construction resulted in a total expenditure of $8.020M, of which approximately $3.305M was contributed by the Province.

Project Management and interim financing was provided to thirty seven (37) ongoing Agri-Water and Drought Proofing projects which resulted in a total expenditure of $3.173M.

Under these provincially funded projects, approximately 50,000 cu. m of earth was moved in the construction of waste stabilization ponds, over 17,000 metres of sewers and 70,000 meters of watermains were installed. In addition, 3,300,000 litres of water storage capacity, concrete reservoirs were constructed.

Water and Sewer Projects Substantially Completed Under Regular Budget during the year 1989/90 were:

		Project Costs	Provincial Grants
Oak Lake	Sanitary Sewer Extentions	142,936	$47,057
Oakville (4)	Sanitary Sewer, Sewage Treatment and Water Distribution	292,965	149,296
Angusville	Water Supply Well	16,048	8,024
Birch River (2)	Water Distribution	139,986	61,886
Bowsman	Water Supply	15,806	7,903
Erickson (4)	Water Supply Well	22,733	11,367
La Broquerie	Sanitary Sewer & Sewage Treatment	1,037 864	484,725
La Salle (2)	Water Distribution	575,863	168,705
Macdonald	Water Supply	2,802,953	1,136.139
Roblin (2)	Water Supply	354,265	114,241
Russell (3)	Upgrading Sewer System	95,851	47,926
Sanford (2)	Water Distribution	478,013	130,595
Selkirk (3)	Water Supply	187,087	-
Shoal Lake (4)	Sewage Treatment	133,023	42,663
Stonewall (8)	Sanitary Sewer & Water Distribution	1,215,341	607,670
Souris (4)	Upgrading Water Treatment Plant	58,136	29,068
Winkler (7)	Water Supply	2,383,521	656,257
Winnipegosis (3)	Water Distribution & Water Supply	92,504	46,252
		$10,044,915	$3,749,774

Projects Substantially Completed under the Agri-Water Program, for which Interim Financing was provided by the Board during the year 1989/90 were:

		Project Costs	Provincial Grants
*Arden	Tank Loading Facility	$18,547	$2,835
*Boissevain (2)	Agricultural Area Pipeline	212,190	64,879
*Border Valley	Agricultural Area Pipeline	106,578	20,739
*Ochre River (2)	Tank Loading Facility	14,169	2,034
*Darlingford	Tank Loading Facility	10,656	1,598
*Dauphin (3)	Tank Loading Facility	14,752	2,237
*Domain La Salle	Agricultural Area Pipeline	654,199	118,089
*Gladstone (2)	Tank Loading Facility	15,442	7,721
*Glenboro (2)	Tank Loading Facility	12,421	2,542
Glenella	Community Water & Sewer	454,543	114,554
*GNS West	Agricultural Area Pipeline	847,968	151,639
*Gretna (3)	Agricultural Area Pipeline	198,834	37,751
*Hartney	Tank Loading Facility	28,203	4,279
*Makinak	Tank Loading Facility	16,071	2,435
Mather	Community Water & Sewer	138,338	56,828
*Neva Falls	Agricultural Area Pipeline	237,571	41,105
New Hope	Agricultural Area Pipeline	428,104	79,306
Pierson	Community Water Source	91,665	16,278
*Reston (4)	Tank Loading Facility	4,809	758
*Roland (2)	Agricultural Area Pipeline	113,343	20,956
Rosenort	Community Water Source	79,471	23,841
*Sifton	Tank Loading Facility	17,721	2,698
*Sunset	Agricultural Area Pipeline	87,023	25,012
*Tilston	Tank Loading Facility	20,484	3,248
Warren	Community Water Source	914,354	293,134
*Woodrow	Agricultural Area Pipeline	239,513	44,777
	TOTAL	$4,976,969	$1,141,273

*Drought Proofing Project

Projects Under Design or Construction at Year End under the Regular Budget were:

		Estimated Project Costs	Estimated Provincial Grants
Arborg (5)	Water and Sewer Expandion	$816,000	$335,200
Blumenort (4)	Sanitary Sewer and Service Connection	51,000	24,000
Brandon	Sewage Treatment	4,500,000	-
Elie (7)	Watermain Renewals	500,000	250,000
Elm Creek (4)	Water Treatment Plant Upgrading	15,000	7,500
Elkhorn	Low Pressure Sewer System	264,000	80,500
Flin Flon (5)	Water and Sewer Upgrading	2,300,000	1,225,200
Grunthal (5)	Water and Sewer Extensions	130,000	65,000
McCreary (5)	Upgrading Sewer System	290,000	145,000
Portage (6)	Sanitary Sewer	1,950,000	990,000
Portage (5)	Sanitary Sewer	1,600,000	800,000
Powerview (2)	Lagoon Relocation	316,200	123,100
Rivers	Water Supply Works	400,000	188,700
Riverton (3)	Sewermain Extentions	20,000	10,000
St. Malo	Water Supply and Distribution	760,000	267,000
Stonewall (9)	Water and Sewer Extensions	1,170,000	485,000
Stonewall (10)	Water and Sewer Extensions	600,000	258,000
Stony Mountain	Water and Sewer System	5,100,000	1,940,000
		$20,782,200	$7,194,200

Projects Under Design or Construction at Year End under the Agri-Water Program were:

		Estimated Project Costs	Estimated Provincial Grants
*Oak Bluff	Agricultural Area Pipeline	$750,000	$141,000
*Oak Bluff (2)	Community Water & Sewer	720,000	186,000
*Border Valley (2)	Community Water Source	100,000	19,500
*Clanwilliam	Tank Loading Facility	17,000	2,800
*La Salle (3)	Agricultural Area Pipeline	260,000	51,000
*Lowe Farm	Water Supply Works	54,000	16,200
*Plum Coulee (3)	Agricultural Area Pipeline	66,000	19,800
*Plum Coulee (4)	Agricultural Area Pipeline	720,000	153,000
*Treherne (2)	Tank Loading Facility	15,000	2,300
Warren (2)	Community Water Source	100,000	50,000
Westlake	Agricultural Area Pipeline	1,300,000	650,000
	TOTAL	$4,102,000	$1,291,600

*Drought Proofing Project

Previously Constructed Works

On April 1, 1989, the Board operated forty-three water treatment plants of which thirty-three were constructed prior to 1972 by The Manitoba Water Supply Board, now referred to as "Previously Constructed Works". Of these, water rates for sixteen were at the subsidized level of $5.80 per 1,000 Imperial gallons effective April 1, 1990.

Water rates remained unchanged for Baldur, Benito, Deloraine, Elie, Erickson, Holland, Manitou, McCreary, Notre Dame de Lourdes, Reston, Russell, St. Claude, Ste. Agathe, Ste. Rose du Lac, Sandy Lake, and Somerset. The water rate at Rossburn was increased to $4.70 per thousand Imperial gallons from $4.10 per thousand Imperial gallons.

The Village of Ste. Rose du Lac took over operation of the water treatment plant from the Board on July 1, 1989. Therefore, as on March 31, 1990, the Board was left with thirty two Previously Constructed Works.

Newly Constructed Works

Effective April 1, 1990, water rates were decreased at Miami and Plum Coulee and Swan Lake. Water rates remained unchanged at Birch River, Elm Creek, Grunthal, Lac du Bonnet, Rapid City, and the Red River Regional Water System. The water rate at Cranberry Portage was increased to $0.70 from $0.60 per thousand Imperial Gallons.

Operations and Maintenance

The reverse osmosis plant at Elm Creek was upgraded to increase water treatment capacity. To facilitate a regular membrane cleaning program an in-situ cleaning system was installed.

A new water distribution pumping system was installed at Plum Coulee to meet increased demands for potable water in the village and rural agricultural pipeline.

Water treatment plants at Somerset, Notre Dame, Ste. Agathe, Swan Lake and Winnipegosis were upgraded to improve the mechanical systems and treatment processes to meet the demands for potable water.

New water supply wells were constructed at Angusville and Erickson to ensure that adequate water supplies are available.

Sale of Water

Town or Municipality	Consumption 1989-90	Actual Cost of Production per 1,000 I.G.	April 1/90 Selling Price 1,000 I.G.	Type of Treatment
Altona, 1 & 2	94,690,000	$4.15	$4.15	A, B, E
Altona Rural Water Co-Op, 1 & 2	12,983,000	4.15	4.15	A, B, E
Argyle (RM) (Baldur)	6,310,000	5.07	5.30	B, C, E
Benito	9,382,000	3.70	5.20	C, E
Blanshard (RM) (Oak River)	2,277,000	9.28	5.80	C, E
Bowsman	5,571,000	8.44	5.80	C, E
Bulk Tank Loading (Letellier)	666,000	4.15	7.75	A, B, E
Cartier (RM) (Elie)	9,629,000	3.69	5.30	C, D, E
Cartwright	6,739,000	5.78	5.80	C, D, E
Consol (LGD) (Cranberry Portage)	41,145,000	0.70	0.70	B, E
Deloraine 4	20,465,000	4.63	5.30	A, B, E
Erickson	12,269,000	3.22	5.20	B, C, D, E
Ethelbert	5,296,000	6.09	5.80	C, E
Franklin (Dominion City)	6,263,000	4.15	5.80	A, B, E
Gilbert Plains	14,717,000	6.48	5.80	A, B, E
Gretna, 1 & 2	8,923,000	4.15	4.15	A, B, E
Grey (RM) 3	1,511,000	4.15	4.15	E
Grey (RM) (Elm Creek)	6,834,000	5.75	5.75	Rerverse Osmosis, E
Halbstadt	4,689,000	4.15	4.15	A, B, E
Hamiota	16,078,000	6.49	5.80	A, B, E
Hanover (RM) (Grunthal)	17,983,000	1.00	1.00	E
Harrison (RM) (Sandy Lake)	5,391,000	4.79	5.30	C, E
Lac du Bonnet	30,464,000	0.85	0.85	B, E, F
Lorne (RM) (Swan Lake)	32,406	0.50/cu. m	0.50/cu. m	E
Manitou	17,028,000	4.67	5.30	A, B, E
McCreary	11,577,000	1.28	3.45	B, C, E
Minitonas	6,934,000	12.96	5.80	Reverse Osmosis, E
Montcalm (RM) (Letellier)	3,439,000	4.15	5.80	A, B, E
Montcalm (RM) (St. Jean Baptiste)	9,892,000	5.92	5.80	A, B, E
Mountain (LGD) (Birch River)	7,381,000	2.75	2.75	E
Notre Dame de Lourdes	16,570,000	0.70	1.80	E
Pilot Mound	15,931,000	6.93	5.80	A, B, E
Pipestone (RM) (Reston)	14,755,000	1.03	3.15	B, C, E
Plum Coulee	9,501,000	6.75	6.75	A, E
Rapid City	5,451,000	3.65	3.65	C, E
Rhineland, 1 & 2	18,932,000	4.15	4.15	A, B, E
Ritchot (RM) (Ste. Agathe)	6,282,000	3.80	5.30	E
Roseau River	5,518,000	4.15	4.15	A, B
Rosedale (RM) (Kelwood)	2,559,000	10.36	5.80	E
Rossburn	13,640,000	4.71	4.70	B, C, D, E
Russell	35,781,000	3.30	4.50	A, B, E
Silver Creek (RM) (Angusville)	1,518,000	16.13	5.80	C, E
Somerset	9,746,000	1.37	3.00	E
*Ste. Rose du Lac	6,331,000			A, B, E
St. Claude 3	14,369,000	1.48	4.15	E
Shellmouth (RM) (Inglis)	2,444,000	12.62	5.80	C, E
Strathclair (RM) (Strathclair)	6,527,000	9.82	5.80	C, D, E
Strathcona (RM) (Belmont)	4,738,000	6.18	5.80	C, E
Thompson (RM) (Miami)	7,636,000	2.00	2.00	C, E
Victoria (RM) (Holland)	6,926,000	4.05	5.30	C, E
Winchester (RM) 4	2,448,000		1.20	NONE
Winnipegosis	12,303,000	7.72	5.80	A, B, E
Woodworth (RM) (Kenton)	3,262,000	13.55	5.80	E, F,

* Ste. Rose du Lac - Water treatment plant operated by Village of Ste. Rose du Lac as of July 1/89.

1) Water provided by Neche water supply.
2) Water provided by Red River Regional water supply.
3) Water provided by same water treatment plant.
4) Untreated water delivered directly from water source.

Type of Treatment:

A - Lime soda ash softening
B - Fluoridation
C - Iron and/or manganese removal
D - Zeolite softening
E - Chlorination
F - Coagulation, sedimentation

Manitoba

The Manitoba Water Services Board
Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A, B, C and D, and Schedules 1 and 2, of The Manitoba Water Services Board for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Water Services Board as at March 31, 1990 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F.H. Jackson, CA,
Provincial Auditor

September 14, 1990
Winnipeg, Manitoba

The Manitoba Water Services Board

Balance Sheet

as at March 31, 1990

Exhibit A

Assets	1990	1989
Current assets:		
Cash on deposit with the Minister of Finance Exhibit D, (Note 1(a))	$ 972,672	$ 349,566
Accounts receivable	3,451,170	1,372,956
Grants receivable from the Government of the Province of Manitoba — subsidization of construction costs	53,882	128,527
Accrued interest	548,145	552,219
Prepaid expenses	92,512	56,003
	5,118,381	2,459,271
Debentures receivable from municipalities, Schedule 1 (Note 3)	10,828,449	12,556,397
Construction in progress recoverable from municipalities and the Government of the Province of Manitoba (Note 2)	1,294,890	1,403,323
Fixed assets: (Notes 1(e) and 4)		
Works, at cost		
Land and easements	89,316	94,464
Building and equipment	5,602,817	6,098,263
	5,692,133	6,192,727
Less accumulated depreciation	3,569,784	3,868,453
	2,122,349	2,324,274
	$19,364,069	$18,743,265

Liabilities	1990	1989
Current liabilities:		
Accounts payable and accrued charges	$ 875,712	$ 864,360
Capital debt, Schedule 2: (Note 3)		
Advances from the Government of the Province of Manitoba	15,988,415	13,543,385
Debentures - Canada Mortgage and Housing Corporation	1,938,877	2,103,945
Bonds	-	3,023,000
	17,927,292	18,670,330
Less sinking fund: (Note 1(f))		
Cash on deposit with the Minister of Finance	-	836,501
	17,927,292	17,833,829
Accumulated excess of operating revenues over expenditures (operating expenditures over revenues, recoverable), Exhibit C, (Notes 1(b) and 5)	461,065	(54,924)
Interest adjustment fund account (Notes 1(c) and 7)	100,000	100,000
	$19,364,069	$18,743,265

Approved on behalf of the Board

Acting Chairman

The Manitoba Water Services Board **Exhibit B**

Statement of Operating Revenues and Expenditures

for the year ended March 31, 1990

	1990	1989
Revenues:		
Sale of water	$ 2,522,376	$ 2,909,850
Interest:		
Municipalities	1,572,512	1,630,848
Sinking funds and funds on deposit (Note 1(f))	31,402	125,217
Grant from the Government of the Province of Manitoba - subsidization of water rates (Note 5)	62,371	242,627
	4,188,661	4,908,542
Expenditures:		
Interest:		
Advances	1,859,935	1,792,169
Bonds and debentures	239,494	435,678
Audit and other fees	13,194	18,600
Chemicals	424,147	503,333
Depreciation (Note 1(e))	161,672	172,703
Salaries and benefits	648,569	754,801
Heat, telephone, light and power	285,968	331,594
Repairs and maintenance	209,302	175,556
Water purchased for resale	173,165	168,591
	4,015,446	4,353,025
Interest applied to construction	(496,132)	(381,173)
	3,519,314	3,971,852
Excess of operating revenues over expenditures, Exhibit C	$ 669,347	$ 936,690

The Manitoba Water Services Board **Exhibit C**

Statement of Accumulated Excess of Operating Revenues over Expenditures, (Notes 1(b) and 5)

for the year ended March 31, 1990

	1990	1989
Balance, beginning of year	$ (54,924)	$ (732,297)
Add: Excess of operating revenues over expenditures, Exhibit B	669,347	936,690
Deduct: Refund of operating revenues over expenditures	153,358	259,317
Balance, end of year, Exhibit A	$ 461,065	$ (54,924)

The Manitoba Water Services Board **Exhibit D**

Statement of Changes in Cash Position

for the year ended March 31, 1990

	1990	1989
Cash provided by (used for):		
Operating activities:		
Excess of operating revenues over expenditures, Exhibit B	$ 669,347	$ 936,690
Refund of excess operating revenues over expenditures	(153,358)	(259,317)
Items not involving cash:		
Depreciation	161,672	172,703
Amortization of sinking fund bond discount - net	-	4,471
	667,661	854,547
Net change in non-cash working capital balances	(2,099,297)	1,152,130
	(1,421,636)	2,006,677
Financing activities:		
Construction of facilities for municipalities	(11,192,804)	(11,809,810)
The Government of the Province of Manitoba:		
Grants - subsidization of construction costs	4,285,605	4,113,380
Advances - net	2,445,030	(2,775,067)
Municipalities:		
Debenture principal repayments	1,727,948	641,766
Construction expenditure recoveries	7,090,277	7,725,648
The Government of Canada:		
Canada Pension Plan bond repayment	(3,023,000)	-
Canada Mortgage and Housing Corporation:		
Debenture principal repayments	(165,068)	(150,516)
Sinking fund payments - net	836,501	(61,240)
	2,004,489	(2,315,839)
Investment activities:		
Fixed asset additions	-	(15,120)
Proceeds from transfer of ownership - Ste. Rose plant (1989 - Winkler plant)	40,253	128,978
	40,253	113,858
Increase (decrease) in cash	623,106	(195,304)
Cash, beginning of year	349,566	544,870
Cash, end of year, Exhibit A	$ 972,672	$ 349,566

Cash is represented by cash on deposit with the Minister of Finance.

Schedule of Debentures Receivable from Municipalities

as at March 31, 1990

Municipality	No. of Debentures	Term	Interest Rates %	Balance
Village of Arborg	4	October 31, 1990-1998	9.25-11.25	$ 108,016
Village of Benito	1	October 31, 1990-1998	9.80	7,751
Village of Binscarth	1	October 31, 1990-1998	11.25	27,072
Village of Binscarth	1	December 31, 1990-2004	12.75	4,048
R.M. of Birtle	2	October 31, 1990-2000	11.25-13.75	126,655
Town of Birtle	2	December 31, 1990-2003	12.625-13.125	225,516
Town of Carman	3	October 31, 1990-1999	9.00-11.25	158,090
R.M. of Cartier	1	October 31, 1990-1995	10.95	82,723
Village of Cartwright	1	December 31, 1990-2004	12.75	19,658
R.M. of Coldwell	2	October 31, 1990-1996	9.80-10.95	88,577
L.G.D. of Consol	1	October 31, 1990-1996	9.80	38,032
Town of Dauphin	2	October 31, 1990-1996	9.80-10.95	288,480
Town of Deloraine	2	October 31, 1990-1999	9.80-11.25	19,049
R.M. of De Salaberry	2	December 31, 1990-2004	12.625-12.75	79,664
R.M. of East St. Paul	3	October 31, 1990-1997	9.00-10.95	98,732
Town of Emerson	2	October 31, 1990-1998	9.80-11.25	25,619
Village of Erickson	1	October 31, 1990-1994	9.25	3,447
R.M. of Eriksdale	1	October 31, 1990-1996	9.80	4,756
City of Flin Flon	5	December 31, 1990-2004	12.625-12.75	1,502,483
Village of Gilbert Plains	2	October 31, 1990-1995	9.25-10.95	56,912
Village of Glenboro	1	December 31, 1990-2002	13.125	90,959
Town of Grandview	4	October 31, 1990-1999	9.00-11.25	70,970
Town of Grandview	1	December 31, 1990-2002	13.125	53,347
Village of Gretna	2	October 31, 1990-1995	9.80-10.95	12,314
R.M. of Grey	1	October 31, 1990-1999	11.25	70,289
R.M. of Hanover	7	October 31, 1990-1999	9.00-11.25	275,415
R.M. of Hanover	2	December 31, 1990-2004	12.75	156,582
Town of Killarney	1	December 31, 1990-2004	12.75	30,056
Village of Lac du Bonnet	1	October 31, 1990-1997	9.50	185,805
R.M. of Lorne	4	October 31, 1990-2000	9.80-13.75	228,821
R.M. of MacDonald	4	October 31, 1990-1999	9.00-11.25	71,700
Village of Manitou	2	October 31, 1990-1998	9.00-11.25	63,043
Village of McCreary	3	October 31, 1990-1998	9.80-11.25	18,900
Town of Minnedosa	3	October 31, 1990-1999	9.80-11.25	26,610
R.M. of Miniota	1	October 31, 1990-1996	9.80	9,333
Village of Minitonas	1	October 31, 1990-1999	11.25	70,514
R.M. of Montcalm	1	December 31, 1990-1998	12.625	50,135
Town of Morris	2	October 31, 1990-1998	9.00-09.80	111,962
Town of Morris	2	December 31, 1990-2004	12.75-13.125	91,944
L.G.D. of Mountain	2	October 31, 1990-1997	9.00-9.80	85,925
Town of Neepawa	1	October 31, 1990-1998	9.80	15,065
R.M. of North Norfolk	3	October 31, 1990-1996	9.25-10.95	69,908
Village of Notre Dame de Lourdes	3	October 31, 1990 - 1995	9.25-10.95	36,638
Carried forward	91			$4,861,515

Schedule of Debentures Receivable from Municipalities

as at March 31, 1990

Municipality	No. of Debentures	Term	Interest Rates %	Balance
Brought forward	91			$ 4,861,515
R.M. of Ochre River	2	December 31, 1990-2002	12.625-13.125	25,084
R.M. of Pipestone	2	October 31, 1990-2000	11.25-13.75	38,904
Village of Plum Coulee	3	October 31, 1990-1999	9.00-11.25	200,571
City of Portage la Prairie	4	October 31, 1990-1999	9.00-11.25	471,517
R.M. of Portage la Prairie	2	October 31, 1990-1995	9.25-10.95	61,024
Town of Rapid City	1	October 31, 1990-1998	9.80	9,741
R.M. of Ritchot	6	October 31, 1990-2000	9.80-13.75	94,501
R.M. of Ritchot	2	December 31, 1990-2004	12.625-12.75	120,861
R.M. of Riverside	2	October 31, 1990-2000	11.25-13.75	139,331
Village of Riverton	4	October 31, 1990-1998	9.00-10.95	143,672
Village of Riverton	1	December 31, 1990-2002	13.125	15,736
Town of Roblin	2	October 31, 1990-2000	11.25-13.75	240,387
Village of Rossburn	5	October 31, 1990-2000	9.00-13.75	63,756
Town of Russell	1	December 31, 1990-2004	12.75	326,307
Village of Ste. Anne	2	October 31, 1990-1996	9.80-11.25	42,919
Village of St. Claude	3	October 31, 1990-1996	9.80-10.95	33,416
Village of St. Claude	1	December 31, 1990-1999	12.75	13,158
Village of Ste. Rose du Lac	4	October 31, 1990-1997	9.00-10.95	44,987
Village of Ste. Rose du Lac	1	December 31, 1990-2004	12.75	63,341
Town of Selkirk	6	October 31, 1990-2000	9.00-13.75	925,977
Village of Shoal Lake	1	October 31, 1990-2000	13.75	139,822
R.M. of Siglunes	1	December 31, 1990-2001	13.125	6,375
Town of Souris	3	October 31, 1990-1998	9.00-09.80	357,986
Town of Souris	1	December 31, 1990-2000	12.75	14,227
Town of Steinbach	3	October 31, 1990-1997	9.00-10.95	57,686
Town of Stonewall	2	October 31, 1990-2006	9.80-10.95	803,605
R.M. of Strathcona	2	October 31, 1990-2000	11.25-13.75	36,892
L.G.D. of Stuartburn	3	October 31, 1990-2000	9.80-13.75	131,848
Town of Swan River	3	October 31, 1990-1997	9.00-10.95	365,118
R.M. of Tache	3	October 31, 1990-1998	9.00-10.95	19,362
Village of Teulon	1	October 31, 1990-2006	8.00	313,725
R.M. of Thompson	1	October 31, 1990-1996	9.80	93,415
Village of Treherne	2	October 31, 1990-1996	9.80-11.25	102,389
Town of Virden	3	October 31, 1990-1998	9.80-13.75	282,077
Town of Virden	1	December 31, 1990-1998	13.125	14,343
Community of Wabowden	1	August 1, 1990-1995	9.00	132,140
Village of Wawanesa	1	October 31, 1990-1999	11.25	2,199
Town of Winkler	1	October 31, 1990-1996	9.80	14,854
Town of Winnipeg Beach	1	October 31, 1990-1999	11.25	3,681
	179			$ 10,828,449

	1990	1989
Advances from the Government of the Province of Manitoba:		
10.720% payable annually April 1, 1990-1991	$ 958,267	$ 1,368,994
9.000% payable annually October 31, 1990-1997	1,219,070	1,320,482
9.800% payable annually October 31, 1990-1998	1,424,143	1,520,464
11.250% payable annually October 31, 1990-1999	1,504,496	1,584,400
9.250% payable annually March 31, 1991-2004	720,495	858,759
9.800% payable annually October 31, 1990-2006	1,055,339	1,142,460
9.400% payable annually October 31, 1990-2007	36,466	37,242
13.750% payable annually October 31, 1990-2000	1,887,653	1,960,661
10.010% payable annually June 2, 1990-1999	2,122,809	-
12.625% payable annually December 31, 1990-2003	1,110,429	1,143,621
12.750% payable annually December 31, 1990-2004	1,368,774	1,400,040
9.625% payable annually March 31, 1990-2007	1,107,128	1,132,916
Other - payable on demand at bank prime	1,473,346	73,346
	15,988,415	13,543,385
Canada Mortgage and Housing Corp. Debentures:		
7.875% payable annually August 1, 1990-1994	41,674	48,246
8.000% payable annually December 1, 1990-1995	34,140	38,425
8.000% payable annually January 1, 1990-1996	20,611	23,198
8.000% payable annually January 1, 1990-1996	26,397	29,711
8.000% payable annually February 1, 1991-1996	28,046	31,567
10.000% payable annually February 1, 1991-1996	54,495	60,861
10.375% payable annually January 1, 1991-1996	71,143	79,342
10.375% payable annually January 1, 1991-1996	15,686	17,494
10.375% payable annually February 1, 1991-1996	52,174	58,187
10.375% payable annually February 1, 1991-1996	34,212	38,155
10.375% payable annually February 1, 1991-1996	39,978	44,585
10.375% payable annually February 1, 1991-1996	81,355	90,731
10.375% payable annually December 1, 1991-1996	85,005	92,945
10.750% payable annually August 1, 1990-1996	39,688	43,337
10.750% payable annually December 1, 1990-1996	24,040	26,250
10.750% payable annually December 1, 1990-1996	10,968	11,976
8.000% payable annually April 1, 1990-1997	8,711	9,609
8.000% payable annually July 1, 1990-1997	526,720	572,240
10.000% payable annually July 1, 1990-1997	21,420	23,104
10.000% payable annually July 1, 1990-1997	14,924	16,097
10.375% payable annually April 1, 1990-1997	84,446	92,333
10.375% payable annually April 1, 1990-1997	74,847	81,837
10.750% payable annually July 1, 1990-1997	112,850	121,408
9.625% payable annually February 1, 1991-1998	50,328	54,355
11.000% payable annually November 1, 1990-2002	385,019	397,952
	1,938,877	2,103,945
	$17,927,292	15,647,330
Bonds:		
Canada Pension Plan Investment Fund, subject to prior redemption, guaranteed as to principal and interest by the Government of the Province of Manitoba:		
7.26% bond due June 2, 1989	-	3,023,000
	-	3,023,000
	$17,927,292	$18,670,330

1. **Significant Accounting Policies**

(a) **Basis of Accounting**

The Board's financial statements have been prepared using the accrual basis of accounting except that, in accordance with the procedures followed by the Government of the Province of Manitoba, the Board's disbursement account was held open until April 20, 1990 for the payment of accounts for expenditures incurred during the fiscal year ended March 31, 1990. Disbursements from April 1, 1990 to April 20, 1990 for the year ended March 31, 1990 were $826,594 (1989 - $1,457,633)

(b) **Accumulated excess of operating revenues over expenditures.**

The accumulated excess of operating revenues over expenditures, shown on the balance sheet pertains to plants operated under the following terms:

(A) Plants owned and operated by the Board with cost recovery over a 35 year life. These plants were constructed prior to 1972 under The Manitoba Water Supply Board Act. The Act was amended in 1972 and became known as The Manitoba Water Services Board Act with no further additions under this program. The amended Act provides for grants for rate stabilization by the Government of the Province of Manitoba.

(B) The plants operated by the Board under agreements with municipalities which were constructed since 1972 under The Manitoba Water Services Board Act.

(C) Plant owned and operated by the Board with cost recovery over a 20 year life.

All operating deficits of plants operated by the Board are recoverable from the municipalities. Municipalities are given credit for any accumulated surplus.

(c) **Interest Adjustment Fund Account**

The Board maintains a separate fund account balance for interest adjustments.

(d) **Administration costs**

The costs related to the administration and general operation of the Board, which amounted to $1,842,819 for the year ended March 31, 1990 (1989 - $1,731,989), were paid out of an appropriation of the Department of Rural Development. These expenses are not reflected in the financial statements.

(e) **Depreciation policy**

The Board provides depreciation on a straight-line basis for its fixed assets over an 18 year term for equipment and a 35 year term for buildings under (b) (A) above and a 20 year term for equipment and buildings under (b) (C) above.

(f) **Sinking fund**

The sinking fund is maintained in accordance with the requirements of The Manitoba Water Services Board Act which prescribes that the Board pay a minimum annual instalment to the Minister of Finance of the Government of the Province of Manitoba of not less than 1% of the principal amount of the outstanding capital indebtedness on the preceding March 31, together with 4% of the balance in the sinking fund at that date.

In accordance with the Act, furing 1989-90 the Board used all the funds available in the Sinking Fund for repayment, in part, of the debt which matured during the fiscal year.

Income earned on sinking fund investments is remitted to the Board and is included with interest revenue for the year.

2. **Construction in Progress Recoverable from Municipalities and the Government of the Province of Manitoba**

The transactions in this account were as follows:

	March 31	
	1990	**1989**
Balance, beginning of year	$ 1,403,323	$ 1,476,129
Construction during the year, Exhibit D	11,192,804	11,809,810
	12,596,127	13,285,939
Recoveries during the year		
Municipalities		
Cash payments received, Exhibit D	7,090,277	7,725,648
The Government of the Province of Manitoba, Exhibit D		
Grants - subsidization of contruction costs	4,210,960	4,156,968
	11,301,237	11,882,616
Balance, end of year, Exhibit A	$ 1,294,890	$ 1,403,323

3. **Debentures Receivable from Municipalities**

The Board obtained capital debt financing at fixed interest rates from the Government of the Province of Manitoba and Canada Mortgage and Housing Corporation. In turn, the Board received cash payments or obtained debentures from municipalities for the municipal share of capitalized costs for plant construction. The debentures were issued to municipalities in amounts at fixed interest rates sufficient to discharge the municipalities' share of the corresponding capital debt financing.

Effective with the year ended March 31, 1986, the Board received cash in full settlement of capital work undertaken for municipalities.

4. **Fixed Assets**

The following is the summary of the Board's fixed assets:

	1990	1989
Land and easements	$ 89,316	$ 94,464
Buildings	4,166,137	4,611,440
Less accumulated depreciation	2,380,092	2,647,400
	1,786,045	1,964,040
Equipment	1,436,680	1,486,823
Less accumulated depreciation	1,189,692	1,221,053
	246,988	265,770
	$2,122,349	$ 2,324,274

5. **Accumulated Excess of Operating Expenditures Over Revenues (Note 1(b))**

Concerning plants operated under A only:

The Manitoba Water Services Board Act requires the Board to fix rates for each plant to recover costs pertaining to the services supplied taking into account grants for rate stabilization provided by the Government of the Province of Manitoba to those plants constructed under The Manitoba Water Supply Board Act. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ended March 31, 1990 rate stabilization grants totalling $62,371 were paid in respect of the operations of 9 of the plants constructed under The Manitoba Water Supply Board Act (1989 - $242,627 respecting 17 plants).

5. **Accumulated Excess of Operating Expenditures Over Revenue** (continued)

	March 31			
	No.	1990 Amount	No.	1989 Amount
Plants operated under A - owned and operated by the Board:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	20	$ (670,008)	23	$ (837,578)
Plants with an accumulated excess of operating revenues over expenditures	14	783,121	12	606,267
	34	113,113	35	(231,311)
Plants operated under B - operated by the Board for municipalities:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	1	(8,856)	1	(5,745)
Plants with an accumulated excess of operating revenues over expenditures	8	286,044	8	243,172
	9	277,188	9	237,427
Plant operated under C - owned and operated by the Board, newly constructed works:				
Plant with an accumulated excess of operating revenues over expenditures	1	70,764	1	(61,040)
Totals under A, B and C	44	$ 461,065	45	$ (54,924)

6. **Agreement, Community of Wabowden**

Because of the legal status of the Community of Wabowden, the Board has entered into an agreement, in lieu of a debenture, with the Minister of the Department of Northern Affairs who is acting on behalf of the Community. The agreement provides for the recovery of the capitalized costs and interest in accordance with a repayment schedule over a twenty year period ending August 1, 1995.

7. **Interest Adjustment Fund Account**

The Board charges interest on advances to construction projects and water treatment plants operated by the Board. The policy is to charge interest at a rate which reflects the cost of borrowing by the Board. The difference between interest charged and the cost of borrowing is accumulated in the Interest Adjustment Fund Account. The Board, from time to time, adjusts interest rates to maintain a reasonable balance in the Interest Adjustment Fund Account. For both the current and preceding year, a reasonable balance was maintained without the need to apply interest to the Interest Adjustment Fund Account.

8. **Capital Authority**

The Legislature has authorized the borrowing and expending of monies for municipal sewer and water systems. The unexpended amounts as at March 31, 1990 are as follows:

Legislative Authority	Unexpended balance as at March 31, 1990
The Loan Act 1985	$ 3,900,000
The Loan Act 1987	12,000,000
	$15,900,000

9. **Commitments**

The Board has signed agreements and offers for the construction of sewer and water systems for municipalities which amount to $12,772,700 as at March 31, 1990 (1989 - $14,803,000). Of this amount, $3,222,700 (1989 - $4,021,000) is expected to be funded by the Government of the Province of Manitoba grants for the subsidization of construction costs, with the balance of $9,550,000 (1989 - $10,782,000) to be funded from the Board's Capital Authority (Note 8) which will be repayable by municipalities through cash payments (Note 3).